

C-773

Kerr McGee Tracys

Final

Paid out bonus from production in September 1954, prior to examination for certification on 4/12/56. Workings on property appeared to be more than adequate to account for bonus ore mined.

2-113

R. H. Toole, Chief
Leasing & Development Branch, Mining Division, GJ

June 20, 1956

Don R. Hill, Chief, Development Section
Leasing & Development Branch, Mining Division, GJ

RECOMMENDATION OF CERTIFICATIONS ON TRACTS CONTROLLED BY KERR-MCGEE IN LUKACHUKAI MOUNTAINS (APPLICATION NOS. 1337, 1338, 1339 and 1340)

MD:DRH

Attached hereto are reports submitted by Messers Taylor and Hansen covering their investigation of the captioned applications. I am in agreement with their recommendations and believe that Kerr-McGee should be notified that this is our final action with respect to this problem. The unit structure, as recommended, would be established as follows, with the proviso that additions may be made at the discretion of the Commission.

(1) 1956 JHC

<u>Unit</u>	<u>Property</u>	<u>#Certified</u>	<u>May 31, 1950</u> <u>#Balance</u>
Cert.No. 149	Parcel No. 2, Dan Phillips Lease No. 8666	3,556.83	0.0
" " 155	Parcel No. 1, Dan Phillips Lease No. 8666	8,554.73	0.0
" " 156	Parcel No. 3, Dan Phillips Lease No. 8666	10,000.00	0.0
" " 158	Parcel No. 2, Koley Black Lease No. 8667	8,554.72	3,440.66 ✓
" " 424	{ Parcel No. 3 (sometimes known (as 3 and 4) (Koley Black Lease No. 8667 (Parcel Nos. 1 & 2 (Koley Black Permit No. 239 (Parcel No. 2, Henry Phillips (Permit No. 93	10,000.00	6,019.81 ✓
" " 483	Parcel No. 1, Tom Joe Permit No. 57	10,000	0.0
" " 606 (as amended)	Parcel Nos. 3, 4 and 5, Henry Phillips Permit No. 93	10,000.00	10,000.00 ✓

OFFICE ▶	MD <i>Don R. Hill</i>	MD <i>R. H. Toole</i>				
SURNAME ▶	Hill:dd	Toole				
DATE ▶	6/20/56	6/21/56				

June 20, 1956

<u>Unit</u>	<u>Property</u>	<u>#Certified</u>	<u>May 31, 1950</u> <u>#Balance</u>
New Certifi- cation	Parcel No. 1, Dan Phillips Estate Permit No. 150 Parcel Nos. 1, 2, 3, 4 and 5 David Phillips Permit No. 21	10,000.00	
Not Eligible (in unit that has produced in excess of 10,000 pounds of U ₃ O ₈)	Parcel No. 1, Koley Black Permit No. 8667 Parcel Nos. 2 & 3, Dan Phillips Estate Permit No. 150	0.00	

cc: A.S.J. Taylor - MD
M. V. Hansen - MD

Don R. Hill, Chief, Development Section, May 28, 1956
Leasing and Development Branch, Mining Division, GJ

A. S. J. Taylor and M. V. Hansen, Mining Engineers,
Mining Division, GJ

DENIAL OF APPLICATION FOR CERTIFICATION OF PARCELS 1 AND 2,
PERMIT NO. 239, SHIPROCK MINING DISTRICT, APACHE COUNTY,
ARIZONA (APPLICATION NO. 1338)

Symbol: MD:ASJT, MVH

Abstract

Parcel Nos. 1 and 2 of Koley Black Permit No. 239 are located approximately in unsurveyed sections 20, 21, 28, 29 and 33, T 36 N, R 29 E, G&SR B&M, Shiprock Mining District, Apache County, Arizona, in the Navajo Indian Reservation.

The above named Parcels were added to Certification No. 424 on October 13, 1955, as contiguous to the unit originally certified under D. U. P. C6-C-424.

The applicant holds mining rights on the property by virtue of an assignment of Navajo Tribal Mining Permit No. 239 from Koley Black, a Navajo Indian. The assignment was approved February 23, 1955, by the Area Director's Office, Bureau of Indian Affairs.

It is recommended that application for certification of the above named property as a unit separate from that included in Certification No. 424 be denied.

Introduction

Application No. 1338 for certification of Koley Black Parcels 1 and 2, Permit No. 239 was received on March 1, 1956, from Kerr-McGee Oil Industries, Incorporated, Box 608, Shiprock, New Mexico. This application was submitted for reconsideration of the Commission's action of October 13, 1955, adding the property to Certification No. 424.

The property was examined on April 12, 1956, by the writers, accompanied by Mr. M. F. Bolton, Manager, Mining and Exploration, representing the applicant. This examination was made in conjunction with examinations for three other applications, by the same applicant, application Nos. 1337, 1339 and 1340.

OFFICE ▶	MD	MD	MD	MD	MD
SURNAME ▶	Taylor	Hansen	Newman	Hill	Toole
DATE ▶	5/28/56	6-6-56	6-6-56	6/15/56	6/15/56

Status of the Land and Ownership

The applicant has mining rights on the property by virtue of assignment of Navajo Tribal Mining Permit No. 239. The permit was approved December 27, 1954, and the assignment was approved February 23, 1955. The assignment remains in force for the life of the permit, which is two years, with rights to renew.

Koley Black also held an un-numbered mining permit dated September 29, 1950, and approved October 31, 1950, on the same area covered by Mining Permit No. 239 as near as can be determined from the vague description contained in the un-numbered permit. The "Agreement and Sale and Assignment" dated May 8, 1952, between Navajo Uranium Company and Kerr-McGee Oil Industries, Incorporated conveys rights which Navajo Uranium Company had in the un-numbered permit by virtue of an agreement with Koley Black. This agreement is not recorded and has not been seen by the writers, but the mention of it in the above document is submitted here as an addition to the history of the property.

For further details pertaining to the other property now included in D. U. P. C6-C-424, see the previous reports in the folder.

Production

What does this mean by?

The first production from this property was in March, 1955. The property was temporarily inactive at the time of examination. Two different total production figures have been given by the applicant. One set of figures is 891.5 tons containing 4,101.4 pounds of U_3O_8 . The other figure does not specify the tonnage but shows 6,787 pounds of U_3O_8 . The former figure was taken from the applicant's record of royalty payments to the Navajo Tribe.

No critical period production is involved, according to the Finance Division.

Recommendations

The Koley Black Parcels 1 and 2 of Mining Permit No. 239 are recommended to remain as a part of Certification No. D. U. P. C6-C-424 for the following reasons.

1. Development of this property appears to be a normal expansion of operations on the adjacent Parcel No. 3 of Koley Black Lease No. 8667, with mining progressing around the rim at about the 7600 contour. The major portion of the 891 tons of reported production to date came from the Black No. 2 mine, which is less than $\frac{1}{4}$ mile by road around the rim from the Black No. 1 mine and less than $\frac{1}{2}$ mile from the major producing mine on the original tract in Certification No. 424.

2. No major topographic divisions exist which can be used as a basis for a split of the certification.

3. The property is under common operational control with the other property in the certification although control was gained under different procedures. The originally certified Parcel No. 3 of Koley Black Lease No. 8667 was part of a lease issued to Koley Black, a Navajo Indian, before the present mining permit procedure was set up. This lease was assigned and reassigned successively to F. A. Sitten, F. A. Sitten, Incorporated, Navajo Uranium Company and Kerr-McGee Oil Industries, Incorporated, the applicant. Koley Black Parcels No. 1 and 2 of Mining Permit No. 239 were acquired by the applicant by assignment from Koley Black.

4. The applicant indicated in the letter sent with the application that future development of this property, which appears to be a marginal operation in view of the deep drilling required and the small size of the ore bodies, would be greatly influenced by certification. The property is not otherwise eligible for separate certification, and invoking the "Special Case" clause of Circular 6 in this case in order to develop marginal ore would not serve the intent and purpose of Circular 6. No serious inequities would result by denial of this application. Most of the ore mined to date on the property was developed as a result of AEC drilling and general access roads. About 10,000 feet of AEC drilling has been done on the property covered by this application, as compared to 3351 feet by the applicant, according to his report.

cc: Ingles Gay - Grants
E. R. Gordon - ED



6-773

Don R. Hill, Chief, Development Section, May 29, 1956
Leasing and Development Branch, Mining Division, GJ

at
A. S. J. Taylor and M. V. Hansen, Mining Engineers,
Mining Division, GJ

REVIEW OF CERTIFICATION NOS. 424 AND 606 AS A RESULT OF
APPLICATION FOR CERTIFICATION OF DAVID PHILLIPS PERMIT NO. 21
(APPLICATION NO. 1337); DAN PHILLIPS ESTATE PERMIT NO. 150
(APPLICATION NO. 1339) AND HENRY PHILLIPS PERMIT NO. 93
(APPLICATION NO. 1340) SHIPROCK MINING DISTRICT, APACHE COUNTY,
ARIZONA.

Symbol: MD:ASJT, MVH

Abstract

Kerr-McGee Oil Industries, Inc., submitted Application for
Certification Nos. 1337, 1338, 1339 and 1340 on March 1, 1956.
A separate report is being written on Application No. 1338.
The other three applications being considered herein covered
three Navajo Tribal Mining Permits, parts of which were
included in two existing certifications, and covered all
remaining uncertified Kerr-McGee holdings in the Lukachukai
locality.

It is recommended that:

1. Parcel Nos. 4 and 5 of Henry Phillips Mining Permit No. 93
be retained in the now existing Certification No. 606 and
Parcel No. 3 of the same permit be added to Certification
No. 606; the certified unit as amended to be eligible to
receive bonus payments on 10,000 pounds of U_3O_8 .
2. Parcel No. 1 of David Phillips Permit No. 21 be excluded
from Certification No. 606 and included in a new certification,
together with Parcel Nos. 2, 3, 4 and 5 of the same permit and
Parcel No. 1 of Dan Phillips Estate Permit No. 150, these
six tracts to be certified as a unit eligible to receive bonus
payments on 10,000 pounds of U_3O_8 .
3. Parcel Nos. 2 and 3 of Dan Phillips Estate Permit No. 150
be considered together with Parcel No. 1 of Koley Black Lease
No. 8667 as a unit of mining property. This unit has
produced more than 10,000 pounds of U_3O_8 during the critical
period. The Finance Division was unable to supply the
critical period production figures for this property due to
shipments being made under several different names, such as

OFFICE ▶	MD	MD	MD	MD	MD
SURNAME ▶	<i>Taylor</i> Taylor:dd	<i>Hansen</i> Hansen	<i>Newman</i> Newman	<i>Hill</i> Hill	Toole
DATE ▶	5/29/56		6-11-56	<i>Donated 6/18</i>	

Mesa No. 1, Cove No. 1 and Mine No. 12. The Monticello Buying Station records were used to determine that more than 10,000 pounds had been produced from the property during the critical period.

The Finance Division reports no critical period production for the properties included under recommendations numbered 1 and 2 above.

Introduction

Applications for certification of Henry Phillips Permit 93, Parcels 2, 3, 4 and 5 (B-1340), Koley Black Permit 239, Parcels 1 and 2 (B-1338), David Phillips Permit 21, Parcels 1, 2, 3, 4 and 5 (B-1337) and Dan Phillips Estate, Permit 150, Parcels 1, 2 and 3 (B-1339) were received from Kerr-McGee Oil Industries, Inc., Navajo Uranium Division, P. O. Box 606, Shiprock, New Mexico, on March 1, 1956. The applicant also requested withdrawal of the applications which resulted in certification No. 606 and amendment to Certification No. 424 at the same time, and the applicant was informed that the new applications would be treated as requests to reconsider the above two certifications.

The writers, accompanied by Mr. M. F. Bolton, Manager, Mining and Exploration, made a field examination on April 12, 1956. The applications covered four different Navajo mining permits embracing a total of 1,796.99 acres of extremely rough topography.

Two existing certifications enclosing 956.77 acres of the total shown above plus an additional 318.64 acres lying outside the new application area are currently in effect but have a combined bonus balance of 16,019.81 pounds.

The existing certifications are:

C-424 Koley Black, Permit 239, Parcels 1 and 2.
Koley Black, Lease 8667, Parcel 3*.
Henry Phillips, Permit 93, Parcel 2.

*Outside the new application area.

Bonus balance as of this date, 6,019.81 pounds.

C-606 Henry Phillips, Permit 93, Parcel 4 and 5.
David Phillips, Permit 21, Parcel 1.
Dan Phillips Estate, Permit 150, Parcel 1.

Bonus balance as of this date, 10,000 pounds.

It is the opinion of the writers that the best interests of the

Commission and the purpose of Circular 6, will be better served by combination of amendment, denial, combination and certification rather than providing for certifications on all individual mining permits as requested by Kerr-McGee.

It has further been noted by the writer that:

1. Since Kerr-McGee has essentially requested certification of the remaining uncertified property in addition to certain changes in the existing certifications, this would be the time to include all the property in either existing certifications, new certifications or denial of certifications.
2. Only one new certification can be reasonably justified.
3. Essentially three widely separated groups of mines or mining units are all that exist at present in the area covered by the new applications.
4. An estimated \$1,000,000 was spent by the Atomic Energy Commission for drilling and road building on Kerr-McGee holdings in this area.

Status of the Land

Certification No. 606 is currently made up of portions of Navajo Tribal Mining Permits lying on unsurveyed land in the Navajo Indian Reservation approximately in parts of $W\frac{1}{2}W\frac{1}{2}$, $SW\frac{1}{2}NE\frac{1}{2}$, $NW\frac{1}{2}SE\frac{1}{2}$, Section 20; $S\frac{1}{2}SW\frac{1}{2}$, $NE\frac{1}{2}SW\frac{1}{2}$, Section 16; $W\frac{1}{2}$, $S\frac{1}{2}NE\frac{1}{2}$, $SE\frac{1}{2}$, Section 21; and $SW\frac{1}{2}NW\frac{1}{2}$, $W\frac{1}{2}SW\frac{1}{2}$, Section 22, in projected T 36 N, R 29 E, G&SRB&M in the Lukachukai Locality of the Shiprock Mining District, Apache County, Arizona.

The proposed amendment would add lands in portions of $SW\frac{1}{2}$, $SW\frac{1}{2}SE\frac{1}{2}$, and $SE\frac{1}{2}NW\frac{1}{2}$, Section 20 and eliminate portions of land in $S\frac{1}{2}$, $S\frac{1}{2}N\frac{1}{2}$, Section 21 and $W\frac{1}{2}SW\frac{1}{2}$ and $SW\frac{1}{2}NW\frac{1}{2}$ Section 22, T 36 N, R 29 E. The property in the amended C-606 will be essentially Mesa 4 and is easily reached from the Kerr-McGee camp.

The proposed new certification covering David Phillips, Permit No. 21, Parcels 1, 2, 3, 4 and 5 and Dan Phillips Estate, Permit 150, Parcel 1 lies on unsurveyed lands of the Navajo Indian Reservation approximately in parts of $E\frac{1}{2}SE\frac{1}{2}$, Section 20, $S\frac{1}{2}$ Section 21, $SW\frac{1}{2}NW\frac{1}{2}$, $W\frac{1}{2}SW\frac{1}{2}$, Section 22, $W\frac{1}{2}NW\frac{1}{2}$, $NW\frac{1}{2}SW\frac{1}{2}$, Section 27, $N\frac{1}{2}$, $SE\frac{1}{2}$, $NE\frac{1}{2}SW\frac{1}{2}$, Section 28, T 36 N, R 29 E, Gila and Salt River Base and Meridian in the Lukachukai Locality in the Shiprock Mining District, Apache County, Arizona.

This part of the property is currently partly certified under C-606. If the recommended amendment to C-606 is approved and

May 29, 1956

the property described above is certified as an eligible mining unit, it will be bounded by and contiguous to the following certifications: C-424 on the Southwest, C-606 on the Northwest, C-155 on the North and a unit of the Koley Black Lease No. 8667, not eligible because of critical period production of over 10,000 pounds U_3O_8 , on the Northeast.

The above mentioned uneligible unit is under consideration for extension to include Dan Phillips Estate, Permit 150, Parcels 2 and 3.

This extension would cover lands lying approximately in parts of SW $\frac{1}{4}$ Section 14, SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$ Section 15, NE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$ Section 22, NW $\frac{1}{4}$, N $\frac{1}{4}$ SW $\frac{1}{4}$ Section 23, T 36 N, R 29 E, Gila and Salt River Base and Meridian in the Lukachukai Locality of the Shiprock Mining District in Apache County, Arizona.

Because of the size and extent of Kerr-McGee holdings in this area, a person not familiar with the locations of the mines should contact a member of the Kerr-McGee staff at Cove or Shiprock for permission and directions before entering the property.

The appended plat of the claims was pantographed from a 1" - 1000' scale plat furnished with the applications. This plat was labeled as revised on July 30, 1954.

All land is in the Navajo Indian Reservation and subject to the regulations of the Reservation.

Ownership

Certification No. 606 currently covers Henry Phillips, Permit 93, Parcels 4 and 5, Davis Phillips, Permit 21, Parcel 1 and Dan Phillips Estate, Permit 150, Parcel 1.

Navajo Tribal Mining Permit No. 93 was granted to Henry Phillips and the permit was approved on December 10, 1953. The permit was assigned to Kerr-McGee Oil Industries, Inc., effective February 16, 1954.

Parcel No. 3 is herein recommended for inclusion in Certification No. 606 which, if amended as considered, will change as follows.

Removed: David Phillips, Permit 21, Parcel No. 1.

Dan Phillips Estate, Permit 150, Parcel No. 1.

Added: Henry Phillips, Permit 93, Parcel No. 3.

Kerr-McGee has had control of, and has made all the shipments from the property under consideration as the assignee of Navajo Tribal Mining Permits.

David Phillips Permit No. 21 consisting of five Parcels of up to 160 acres was approved on April 26, 1952, and assigned to

Kerr-McGee effective August 29, 1955. Dan Phillips Estate, Permit No. 150 was renewed on January 24, 1955, and was reassigned to Kerr-McGee on January 24, 1955.

All assignments and permits are of the standard form accepted and approved by the Navajo Tribal Council and the Bureau of Indian Affairs at Window Rock, Arizona.

Production

Production from the proposed amended certification No. C-606 came almost entirely from Parcels 4 and 5, Mine No. 1 on Mesa 3 which has produced 22,497.3 dry tons of ore containing 123,756.7 pounds U_3O_8 as of March 31, 1956. No bonus has actually been paid on this certification.

The mine was being operated at the time of examination and was producing an estimated 80 to 100 tons per day of ore. Approximately 20 Navajo Indians were employed in the mining operation. The map of the mine workings indicated forethought and preparation of the ore body. Short exploratory drifts have been run beyond the limits of the known ore body and have located at least one new extension.

Two adits are employed in mining. One is used primarily for ventilation with a large vent fan installed, the other approximately 10 feet lower in elevation is used for the main track haulage. Ore from the working faces is trammed by wheelbarrow to the main haulage drift where it is dumped down chutes into waiting cars and further trammed to a surface ore bin for loading into 20 ton trucks.

The Finance Division reports no critical period production from this property.

The line between the David Phillips Permit 21, Parcel 1 and Dan Phillips Estate, Permit 150, Parcel 1, actually divides two pairs of operations comprising an operation unit lying on both sides of a small canyon. The lower two operations, lying entirely within Dan Phillips Estate, are not currently producing ore but have produced 19,248.3 pounds. Although these mines as well as the two described below lie within the present boundaries of C-606, no bonus payments have been made on ore produced.

The new mines lying entirely within Parcel 1 of David Phillips Permit No. 21 have produced a total of 288.23 pounds U_3O_8 on the date of examination. The applicant stated that this new operation employing haulage and working drifts is to be very similar to that being carried out on the Henry Phillips Permit 93.

The Finance Division reports no critical period production on either David Phillips Permit 21 or on Dan Phillips Estate, Permit 150.

Extensive drilling has been done by both the Atomic Energy Commission and the applicant along the rims and up to 400 feet in depth. A very large percentage of any additional drilling will be at depths exceeding 400 feet and up to about 700 feet.

Ore Reserve Data

1. Formation Salt Wash
2. Metallurgical Type Carnotite
3. Availability
Mining A Metallurgy A Access B
4. Discovery
Source ARG Method Drilling
Delineation or Development
Source Private Method Drilling and Mining
5. Average Drilling Depth up to 400 feet
6. Ore Reserves See original report
Potential: Further drilling is planned, however, it would seem that development drifts will soon be more economical than drilling from the surface.
7. Ownership or Control Private. Kerr-McGee Oil Industries, Inc. assignee of Navajo Tribal Mining Permit
8. Delivery Point Kerr-McGee Mill at Shiprock

Recommendations

It is recommended that certification No. 606 be amended in the following manner.

David Phillips, Permit 21, Parcel 1 and Dan Phillips Estate, Permit 150, Parcel 1 should be removed or split from certification No. 606 and used as a basis for a new certification. No. 606 currently embraces two operational units which are slightly over three miles apart by road.

As previously mentioned, it is the opinion of the writers that one more certification could be justified in this area. By splitting certification C-606 as described above, a new mining unit with production is formed and is readily eligible for a final certification and thus finish all applications from Kerr-McGee in this locality.

In addition to the split outlined above, Henry Phillips, Permit 93, Parcel 3 should be added to the remaining Henry Phillips Parcels 4 and 5 to form the amended certification No. C-606. This certification can conceivably be further amended at a later date to include Tom Joe Permit 84 and Edward McCabe, Permit 213 at whatever time Kerr-McGee may obtain mining rights and apply for certification.

Certification of Parcel No. 2 of Henry Phillips Permit No. 93 was also requested in Application No. 1340. This tract has been previously included in Certification No. 424. No Change is recommended in this certification with respect to the above named tract, as the only mine on it is connected underground and worked from the same adit with a mine on the adjacent Koley Black Parcel No. 3 of Lease No. 8667. Mining rights on both these adjacent properties is held by the applicant now and at the time of initial production.

Metes and bounds descriptions of the various Parcels in Navajo Tribal Mining Permit No. 93 are attached to Application No. 1340. These are amended descriptions resulting from a recent accurate survey and from subdivision of the Permit into Parcels, and they have been incorporated into the Window Rock official records.

Every effort was made by the writers to follow established criteria before making these recommendations. Topography, the amount of bonus which has been available, the amount of money which was spent on Kerr-McGee claims as a whole, the mining method employed, access, development costs, and all other factors pertinent to certification were taken into consideration to arrive at this and the accompanying report written as a result of the receipt of application No. 1338.

As stated above, the writers are of the opinion that there is justification for another certification on the Kerr-McGee holdings in the area. It is therefore further recommended that David Phillips, Permit No. 21, Parcels 1, 2, 3, 4 and 5 and Dan Phillips Estate, Permit 150, Parcel 1, be certified as a mining unit eligible to receive Circular 6 bonus payments on the first 10,000 pounds of U_3O_8 produced. The property to be included in this new certification is described by metes and bounds on the mining permit and also on the assignment and may be found on file at the Navajo Tribal Realty Office at Window Rock, Arizona. Copies of these descriptions are attached to Application Nos. 1337 and 1339.

This new certification should complete certification of all eligible Kerr-McGee holdings in the area. Any of the properties which subsequently become eligible should be added to existing certifications or be denied. This property extends over the summit of the mountains and down the south side. In spite of this fact it is apparent to the writers that the best interests of the AEC and Circular 6 would be served by certifying this property as a new unit.

It is further recommended that Parcels 2 and 3 as described on Dan Phillips Estate Mining Permit No. 150 and subsequent assignments to Kerr-McGee Oil Industries, Inc., be included as part of a unit of mining property with contiguous Parcel No. 1 of Koley Black Lease No. 8667, which is ineligible for certification because of critical period production in excess of 10,000 pounds. This fact was not readily available from the Finance Division but was obtained from Monticello Buying Station records for that period. The production was listed variously as having come from Mesa No. 1, Cove No. 1 and Mine No. 12. Mr. Bolton recognizes that there was critical period production in excess of 10,000 pounds.

May 29, 1956

It is the opinion of the writers that these Parcels should be added as a simple continuation of the operation on that part of Koley Black Lease 8667.

After careful consideration and a thorough examination of all facts available, the writers have decided that no serious inequities could result from the three actions recommended above resulting in:

1. Amendment to Certification No. C-606.
2. A new and final certification for the applicant.
3. The extension of an ineligible mining unit.
4. Leaving certification No. 424 unchanged.

It is finally recommended that no further consideration be given any subsequent applications for certification received from Kerr-McGee covering lands held by them in this area at this time. Kerr-McGee should also be informed that this office will not reconsider any decision resulting from this and other reports after the date of this report. 15

cc: Ingles Gay - Grants
E. R. Gordon - ED

*In accordance with Paragraph (4) of Circular 6
9.7.*

Amey

Edward McCabe Permit 213

Tom J. Phillips Permit 93

Dan Phillips Lease 8666

Lease 8667

Koley Black

Koley Black Lease 8667

INELIGIBLE

Henry Phillips Permit 93

Dan Phillips Lease 8666

C-606-AMENDED

NEW CERTIFICATION

Dan Phillips Estate Permit 150

David Phillips Permit 21

Koley Black Permit 239

C-424

Koley Black Lease 8667

NAVAJO URANIUM
KERR - MCGE
OIL INDUSTRY
APPLICATION NOS. 1337, 1
SCALE 1:24,000

Navajo Uranium Division
Box 608, Shiprock, New Mexico

Permit No.	Permittee	Approved	Acres	Approved	Terminated
Lease #8666	3/4 Interest Dan Phillips	3-23-50	396 ✓	1-26-53	
Lease #8667	3/4 Interest Koley Black	3-23-50	480 ✓	1-26-53	
57	Tom Joe	9-26-52	80	2-16-54	
93	Henry Phillips	12-10-53	589	2-16-54	
150	Estate of Dan Phillips	1-24-55	418	1-24-55	
239	Koley Black	12-27-54	302.11	2-23-55	
21	David Phillips	4-26-52	700.39	8-29-55	

7.00110 - Mesa 1 (Cove 12)

Lot	#	0.00
4903	630.22	
4914	570.28	
4936	477.42	
4965	348.99	
4984	491.03	
4992	395.27	
5007	431.50	
5067	253.15	
5075	335.02	
5086	61.42	
	358.90	
4855		
4891	616.75	
5105	25.61	No Pay
5127	123.36	
5128	212.83	
5166	345.92	
	80.72	

Date	Rec.	Lot.	#	0.00
12-20-50	5931	135.44		
12-24-50	5977	46.00		
1-11-51	6018	204.47	217.79	
1-10-51	6013	264.99	306.83	
1-24-51	6072	380.08		
1-25-51	6078	377.64	410.94	
1-31-51	6087	350.99		
2-7-51	6128	322.30		
2-8-51	6135	144.48		
2-12-51	6144	452.23		
2-15-51	6166	323.94		
2-19-51	6189	257.20		
2-23-51	6199	230.00		
2-19-51	6184	449.65		
2-27-51	6216	221.59		
2-28-51	6233	78.80		
2-5-51	6115	328.83		
2-7-51	6128	322.30		
		4,979.39		

Koley Black Permit No. 239 - Black No. 2

Prod. thru 3-31-56 - Dry Tons 891.5 U₃O₈ lbs - 4,101.4
(1st Prod. March, 1955) 0.22%

Koley Black Parcel 3 - Lease 8667 - Flag Mesa (Flag 1 & 2 - Black No. 1)

Prod thru 3-31-56 - 9,618.47 U₃O₈ lbs 48,835.9
(1st Prod. 3-1953) 0.254%

Henry Phillips Parcel 2 - Mining Permit No 93 - Henry No 1 (Flag, mesa)

3-31-56 — 1,050.8 Dry Tons 4,197.3 lbs U₃O₈
0.28%

Parcel 4 & 5 - mesa 3 - Mine No 1 (1st Prod - Nov 1954)

22,497.3 Dry Tons — 123,756.7 lbs U₃O₈
0.275%

David Phillips Parcel 1 - Mining Permit No 21 - (mesa 2 No. 2 & 3 on trap)

1st Prod. Feb 1956

43.67 Dry tons 288.23 lbs U₃O₈
0.33

Dan Phillips Estate Parcel No. 1 Mining Permit No. 150 (Part of 1 & 2)

First Production - August 1952 -

to 3-31-56 - 3,400.6 dry tons - 19,248.3 lbs U₃O₈ -
0.283%

PAID-OUT CERTIFICATION

Certification No. C-773

All eligible production bonus on this certification has been paid.

Per notification from Finance Division dated 10-3-56.

10-3-56

DO NOT DESTROY THIS DOCUMENT

MD:DRH

August 20, 1956

Kerr-McGee Oil Industries, Inc.
P. O. Box 608
Shiprock, New Mexico

Re CERTIFICATIONS IN LUKACHUKAI MOUNTAINS, NOS. 149, 155, 156, 158,
424, 483, 606, 773, (APPLICATION NOS. 1337, 1338, 1339, 1340).

Gentlemen:

Reference is made to your applications dated February 28, 1956 requesting a re-evaluation of the method of certifying properties under your control in the Lukachukai Mountains, Shiprock Mining District, Apache County, Arizona. Our engineers have completed an investigation of the entire certification unit structure. The unit structure as now established is as follows:

<u>Cert. No.</u>	<u>Description of Unit</u>	<u>lbs. orig. cert. eligible</u>	<u>Eligible balance as of 7/20/56</u>
DUP C6-C-149	Parcel No.2, Dan Phillips Lease No. 8666	3,556.83	None
DUP C6-C-155	Parcel No.1, Dan Phillips Lease No. 8666	8,554.73	None
DUP C6-C-156	Parcel No. 3, Dan Phillips Lease No. 8666	10,000.00	None
DUP C6-C-158	Parcel No. 2, Koley Black Lease No. 8667	8,554.72	8,440.66
DUP C6-C-424	Parcel No.3, (Sometimes known as Parcel Nos. 4 & 3) Koley Black Lease No. 8667 Parcel Nos. 1 & 2, Koley Black Permit No. 239 Parcel No. 2, Henry Phillips Permit No. 93	10,000.00	6,019.81

C O P Y

See DUP C6-C-149

C O P Y

<u>Cert. No.</u>	<u>Description of Unit</u>	<u>Lbs. orig. cert. eligible</u>	<u>Eligible balance as of 7-20-56</u>
DUP C6-C-483	Parcel No. 1 Tom Joe Permit No. 57	10,000.00	None
1/ DUP C6-C-606 as amended	Parcel Nos. 3,4,&5 Henry Phillips Permit No. 93	10,000.00	10,000.00
2/ DUP C6-C-773	Parcel No. 1 Dan Phillips Estate, Permit No. 150 Parcel Nos. 1,2,3,4,&5 David Phillips, Permit No. 21	10,000.00	10,000.00
3/ Ineligible Unit	Parcel No. 1 Koley Black Permit No. 8667 Parcel Nos. 2 & 3, Dan Phillips Estate Permit No. 150	0.00	0.00

1/ This unit was originally certified on October 12, 1955, to consist of Parcel Nos. 4 & 5, Henry Phillips Permit No. 93; Parcel No. 1, David Phillips Permit No. 21; and Parcel No. 1, Dan Phillips Estate, Permit No. 150. The action hereby being taken amends the unit as shown above.

2/ This is a new unit not previously certified. Parcel No. 1, Dan Phillips Estate, Permit No. 150 and Parcel No. 1, David Phillips Permit were prior to this action, included in the unit certified under D.U.P. C6-C-606.

3/ This is a unit considered to be ineligible for certification because it produced in excess of 10,000 pounds of U3O8 between April 9, 1948 and February 28, 1951.

Your attention is invited to paragraph (h) of Circular 6 which points that the Commissions decision on these matters is final. This is intended to be our final decision with respect to these tracts, except that the units may be amended to include new tracts.

Enclosed herewith are several "Application for Bonus Payment" forms for your use in applying for bonus.

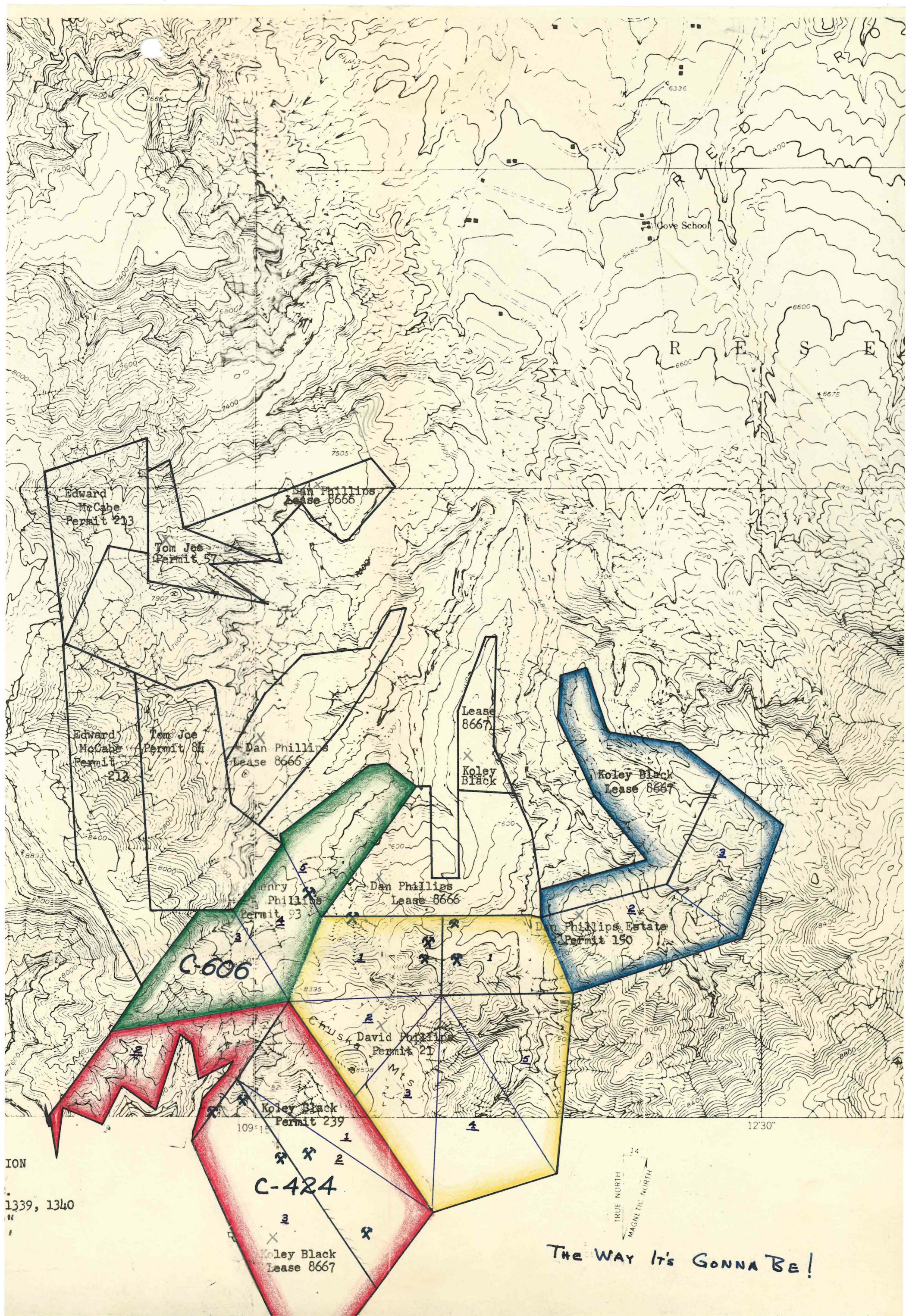
Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Mining Division

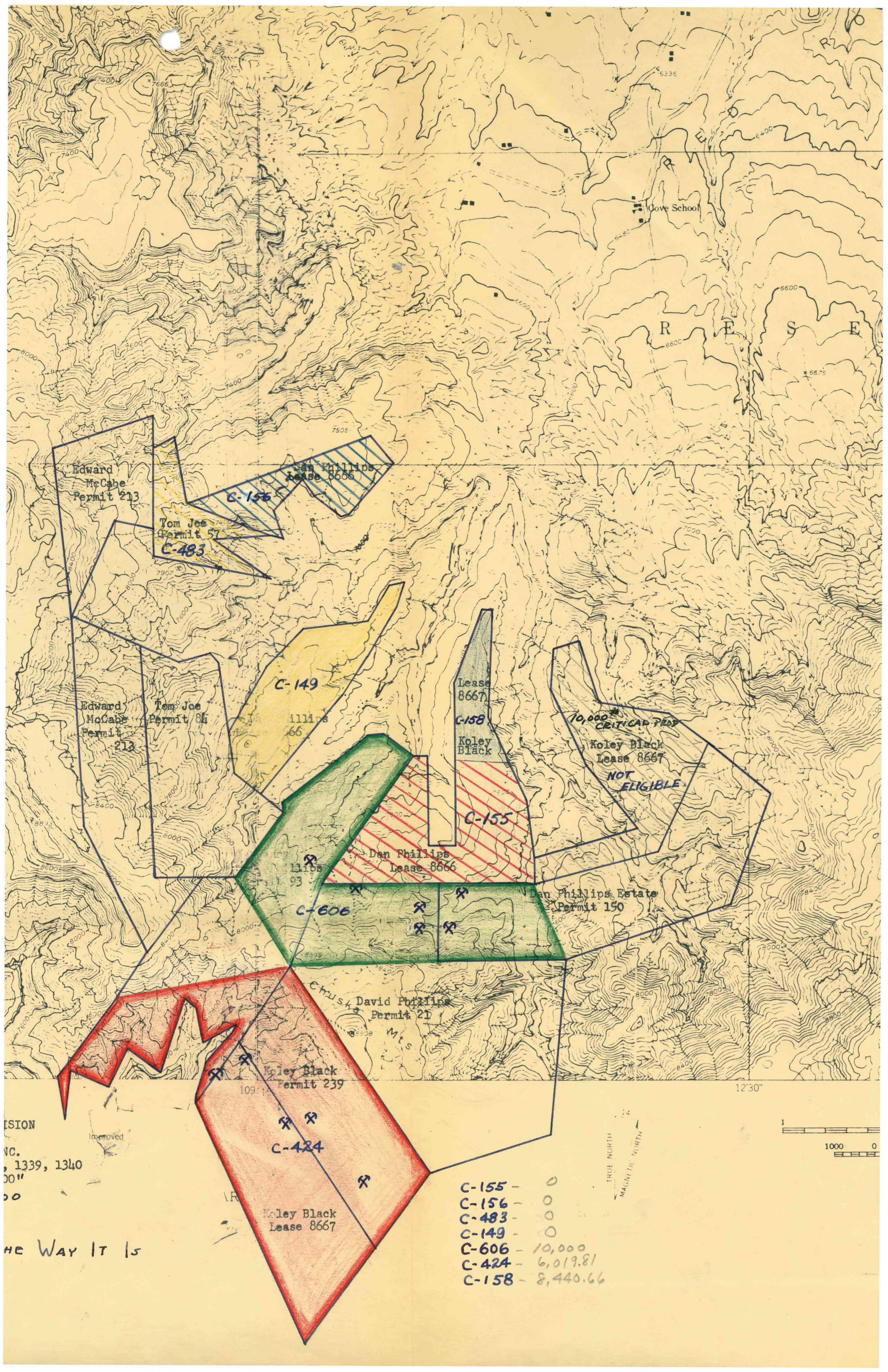
C O P Y

See DUP C6-C-149

C O P Y



The WAY It's GONNA BE!



R E S E R V E

Edward McCabe
Permit 213

San Phillips
Lease 8666

Tom Joe
Permit 57
C-483

C-156

C-149

Lease
8667

C-158

Koley Black

10,000
CRITICAL PROD

Koley Black

Lease 8667

NOT
ELIGIBLE

C-155

Dan Phillips
Lease 8666

C-606

Dan Phillips Estate
Permit 150

David Phillips
Permit 21

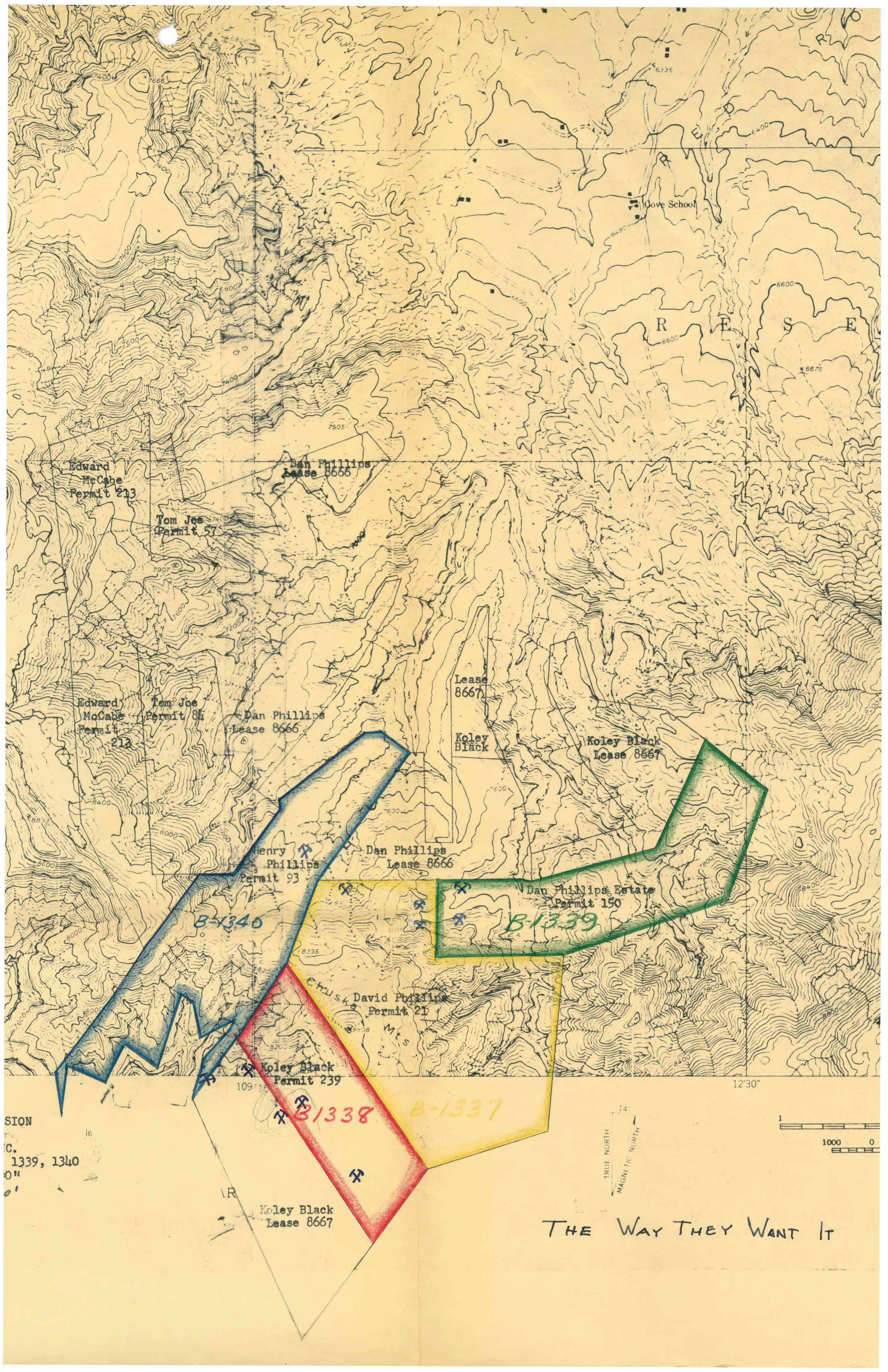
Koley Black
Permit 239

C-424

Koley Black
Lease 8667

- C-155 - 0
- C-156 - 0
- C-483 - 0
- C-149 - 0
- C-606 - 10,000
- C-424 - 6,019.81
- C-158 - 8,440.66

VISION
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HE WAY IT IS



Edward McCabe
Permit 213

Dan Phillips
Lease 8666

Tom Joe
Permit 57

Edward McCabe
Permit 213

Tom Joe
Permit 84

Dan Phillips
Lease 8666

Lease
8667

Koley Black

Koley Black
Lease 8667

Henry Phillips
Permit 93

Dan Phillips
Lease 8666

Dan Phillips Estate
Permit 150

B-1340

B-1339

David Phillips
Permit 21

Koley Black
Permit 239

B-1338

B-1337

Koley Black
Lease 8667

TRUE NORTH
MAGNETIC NORTH

1
1000 0

THE WAY THEY WANT IT

KERR-MCGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608. SHIPROCK, NEW MEXICO

February 28, 1956

U. S. Atomic Energy Commission
Grand Junction Operations Office
Mining Division
Grand Junction, Colorado

Attn: Mr. R. H. Toole

Gentlemen:

The enclosed application for certification is hereby submitted on property described as Parcels 1, 2, 3, 4 and 5, David Phillips Mining Permit No. 21, containing 700.39 acres, located in Apache County, Arizona.

In connection with this application, the following data is submitted:

- (a) First production from this property was in February, 1956. There has been no previous request for certification of this property.
- (b) There are three known ore bodies on this permit that were discovered during the 1955 drill program. Ore bodies shown on the attached map as No. 2 and No. 3 could be considered as being contiguous, however, separate haulage drifts of approximately 300' each must be driven before reaching the ore and each must be mined separately. Ore body No. 1 will be developed by a drift adit located $1\frac{1}{2}$ miles from workings of ore bodies No. 2 and No. 3.
- (c) This company has completed 46,158 ft. of drill hole and built 23,980 ft. of road on the property. It is estimated that an additional 47,900 ft. of drill hole and 24,000 ft. of road will be needed to explore the remaining possibilities of this property. Approximately 75% of the drilling remaining to be done on this permit will be at depths below 400 feet.

It is our personal feeling that due to the size of this permit plus the fact that several parcels now undeveloped will require drilling

February 28, 1956

depths below 500 feet, it should qualify for more than one certification. However, since the Commission has indicated it's desire to combine certain parcels of permits, we feel that it would be far better to certify each permit in its entirety and not combine royalty ownership.

Yours very truly,

KERR-MCGEE OIL INDUSTRIES, INC.
Navajo Uranium Division



M. F. Bolton
Manager, Mining and Exploration

MFB:eg
Enc. (1)

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR CERTIFICATION OF MINING PROPERTY

In accordance with Atomic Energy Commission Domestic Uranium Program Circular 6
(Assistance in filling out this form will be available at the U. S. Atomic
Energy Commission's office in Grand Junction, Colo.)

Name of applicant Kerr-McGee Oil Ind., Inc. AEC License No. P-1152

Address P. O. Box 608, Shiprock, New Mexico

I hereby request that the following described mining property be certified as eligible for bonus payments under Domestic Uranium Circular 6.

1. Name of mining property Parcels 1, 2, 3, 4 and 5, (David Phillips) Tribal Mining Permit #21.

2. Name of owner Kerr-McGee Oil Ind., Inc. (Corporation)
(Indicate whether Corporation, Partnership, Individual)

3. Interest of applicant Assignee
(Owner or Lessee—if other, specify)

4. Description of mining property: (If more space is required use blank space below.) See Attached

a. Mining district Shupone Mining District
North Lukachukai, Apache County, Arizona

b. Size of property 700.39 acres

c. Number and names of claims included in this property Above described

d. Property is of public record as follows:

[illegible]

e. Title to property is patented or unpatented? (State which.) Neither - Mining Permit on Navajo Tribal Land

f. Description of location of property for verification by mining branch of Colorado Raw Materials Office, Atomic Energy Commission.

Near Cove Day School, Lukachukai Mountains, Apache County, Arizona

5. Ore accepted by commission ore-buying stations or qualified uranium mills (or any other uranium ore processing plants) from property between April 9, 1948 and February 28, 1951 inclusive: **None**

ACCEPTED BY	AT	NAME OF PROPERTY IF OTHER THAN PRESENT NAME	NAME OF OPERATOR IF OTHER THAN PRESENT OPERATOR	APPROXIMATE PERIOD		ORE-DRY TONS	POUNDS U_3O_8 CONT.
				FROM MO. YR.	TO MO. YR.		
Total number of pounds U_3O_8						None	

February 28, 1956
(Date)

By: M. J. Bolter
(Signature of applicant)

Misrepresentations or false statements in the application may subject the applicant to criminal penalties, under provisions of the United States Code including section 1001 of title 18. Any such offense may also disqualify the offender from receiving bonus payments.

(When completed mail to U. S. Atomic Energy Commission, Colorado Raw Materials Office, P. O. Box 270, Grand Junction, Colo.)

SPACE BELOW FOR USE BY APPLICANT, IF NECESSARY

DAVID PHILLIPS
Mining Permit No. 21
Parcel No. 1

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 101, 912.12 E 202, 070.74 which is also corner No. 3, parcel No. 5 David Phillips mining Permit No. 21; whence Luka, a U. S. G. S. triangulation station bears S 81° 06' 00" E a distance of 11, 213.0'; thence due North 1943.92' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 103, 856.04 E 202, 070.74 and is common with corner No. 5, parcel No. 1, Dan Phillips Mining Permit No. 140; thence due West along the south boundary of Dan Phillips Lease No. 8666, parcel No. 1 a distance of 2930.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 103, 856.04, E 199, 140.74 and is common with corner No. 7, parcel No. 1 Dan Phillips lease No. 8666; thence S 20° 48' 00" W 2200.0' along the East boundary of Henry Phillips Mining Permit No. 93, parcel No. 4 to corner No. 4, a 2" iron pipe driven in the ground whose coordinates are N 101, 799.40 E 198, 359.49 said corner being common with corners No. 1 of parcels 2-3-4-, Henry Phillips mining permit No. 93; thence N 88° 16' 00" E 3713.0' to corner No. 1 and point of beginning containing 154.96 acres located in Apache County, Arizona. All bearing, distances, and coordinates are based on U. S. A. E. C. data as established by U. S. Coast and Geodetic Survey.

DAVID PHILLIPS
Mining Permit No. 21
Parcel No. 2

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 101, 912.12 E 202, 070.74 being common with corner No. 1, parcel No. 1 David Phillips mining permit No. 21; whence Luka, a U. S. Coast and Geodetic Survey triangulation station bears S 81° 06' 00" E 11, 213.0'; thence S 88° 16' 00" W 3713.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101, 799.40 E 198, 359.49 and is common with corner No. 4, parcel No. 1 David Phillips mining permit No. 21; thence S 33° 59' 00" E 2800.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 99, 468.57 E 199, 911.03 and is common with corner No. 2, parcel No. 3 David Phillips mining permit No. 21; thence N 41° 28' 00" E 3261.50' to corner No. 1 and point of beginning containing 101.92 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U. S. A. E. C. data as established by U. S. Coast and Geodetic Survey.

DAVID PHILLIPS
Mining Permit No. 21
Parcel no. 3

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 101, 912.12 E 202, 070.74; whence Luka, a U. S. Coast and Geodetic Survey triangulation station bears S 81° 06' 00" E 11, 213.0'; thence S 41° 28' 00" W 3261.50' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 99, 468.57 E 199, 911.03; thence S 33° 59' 00" E 3396.50' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 96, 661.07 E 201, 823.51 said corner being common with corners No. 1 of parcels 1 - 2 Koley Black's permit No. 239 upper Flag Mesa; thence N 02° 42' 00" E 5257.0' to corner No. 1 and point of beginning containing 125.57 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U. S. A. E. C. data as established by the U. S. Coast and Geodetic Survey.

DAVID PHILLIPS
Mining Permit No. 21
Parcel No. 4

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 97, 580.00 E 204, 782.90 being common with corner No. 1, parcel No. 5 David Phillips mining permit No. 21; thence N 32° 03' 00" W 5, 111.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101, 912.12 E 202, 070.74 being common with corners No. 1, parcels No. 1-2-3 David Phillips mining permit No. 21; whence Luka, a U. S. Coast and Geodetic Survey triangulation station bears S 81° 06' 00" E 11, 213.0'; thence S 02° 42' 00" W 5257.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 96, 661.07 E 201, 823.51 and is common with corners No. 1, parcels 1-2 Koley Black's mining permit No. 239 upper Flag Mesa; thence N 72° 11' 33" E 3098.82' to corner No. 1 and point of beginning containing 160.0 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U. S. A. E. C. data as established by U. S. Coast and Geodetic Survey.

DAVID PHILLIPS
Mining Permit No. 21
Parcel No. 5

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 97, 580.00 E 204, 782.90; whence Luka, a U. S. G. S. triangulation station bears N 77° 05' 00" E 8, 760.73' said corner being common with corner No. 4, parcel No. 1 Billy Topaha mining permit No. 22; thence N 05° 56' 00" E 4355.50' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101, 912.12 E 205, 232.61 and is common with corner No. 4, parcel No. 2 Dan Phillips mining permit No. 140; thence due West 3161.87' along the south boundary line of Dan Phillips mining permit No. 150, parcel No. 1, to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 101, 912, 12 E 202, 070.74; whence Luka, a U. S. G. S. triangulation station bears S 81° 06' 00" E 11, 213.0' said corner being common with corner No. 1, parcel No. 1 Dan Phillips mining permit No. 150, also common with corner No. 1, parcel No. 1 David Phillips mining permit No. 21; thence S 32° 03' 00" E 5111.0' to corner No. 1 and point of beginning containing 157.94 acres, located in Apache County, Arizona. All bearings, distances, and coordinates are based on U. S. A. E. C. data as established by U. S. Coast and Geodetic Survey.

VERIFICATION OF PRODUCTION RECORD
APPLICATION FOR CERTIFICATION

Application No. 1337

Name of Mining Property: Parcels 1, 2, 3, 4, & 5, David Phillips
Mining Permit #21

Name of Applicant: Kerr-McGee Oil Industries, Inc.

1. There (~~is~~) (is not) a record of production for the period April 9, 1948 through February 28, 1951.

Shipper	Name of Mine	District	County	State	Purch. Depot	Date	Ore Dry Tons	U308 Pounds

Shipments to Shattuck Chemical Co., Denver, Colorado

Name of Shipper	Date	Pounds U308

Total Pounds U308 _____

2. There (~~has~~) (has not) been production from this property for the period March 1, 1951 through the month of January, 1956.

Delbert B. Hutto
Delbert B. Hutto, Auditor

Production checked by RASH.

Date forwarded to Mining Division 3/6/56.

MD:DRH

March 7, 1956

Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

Re: APPLICATIONS FOR CERTIFICATION OF NOS. 1337, 1338, 1339 & 1340

Gentlemen:

Reference is made to your letter dated February 28, 1956, which stated that you would like to withdraw Application Nos. 948, 997 and 1035 and in lieu thereof are submitting four new applications.

Application Nos. 948, 997 and 1035 are not considered to be pending applications since action has been taken by the Commission in accordance with our letters of October 12, 1955, and October 13, 1955, notifying you of the issuance of Certification No. D.U.P. C6-C-606 and amendment to Certification No. D.U.P. C6-C-424. The new applications will be treated as requests to reconsider the above mentioned actions. They have been assigned the following numbers:

- No. 1337 - Parcels 1, 2, 3, 4 & 5, David Phillips
Tribal Mining Permit No. 21
- No. 1338 - Parcels 1 and 2, Koley Black
Tribal Mining Permit No. 239
- No. 1339 - Parcels 1, 2 and 3, Dan Phillips, Estate
Tribal Mining Permit No. 150
- No. 1340 - Parcels 2, 3, 4 and 5, Henry Phillips
Tribal Mining Permit No. 93

As soon as our work load permits, one of our examining engineers will contact you to arrange for a meeting on the ground to discuss this matter.

Very truly yours,

R. H. Toole, Chief
Leasing and Development Branch
Mining Division

MD

MD

Hill:vr

Toole

3/7/56

KERR-McGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608, SHIPROCK, NEW MEXICO

February 28, 1956

U. S. Atomic Energy Commission
Grand Junction Operations Office
Mining Division
Grand Junction, Colorado

Attn: Mr. R. H. Toole

Gentlemen:

Sometime ago in your Grand Junction office we had a meeting concerning certification of various properties located in the Lukachukai Mountains, Apache County, Arizona. At this meeting, Mr. Ken Girard, representing the Navajo Tribe, and myself brought out certain circumstances and facts which we felt were not taken into consideration by the Commission in arriving at its decision as set out in letters to Kerr-McGee dated October 12 and 13, 1955. It was agreed at this meeting that Kerr-McGee would resubmit the certification in question together with supporting detail.

In connection therewith, and in order that the records will be complete on this matter, we would like to withdraw all pending applications for certification which are as follows:

1. Application No. 948 dated October 21, 1954, covering Parcel No. 2, Navajo Mining Permit No. 93.
2. Application No. 1035 dated February 10, 1955, covering Parcel No. 1, Navajo Mining Permit No. 150.
3. Application No. 997 dated December 29, 1955, covering Parcel No. 5, Navajo Mining Permit No. 93.

In lieu thereof, we would like to submit the attached applications for certification which are as follows:

1. Parcels 1, 2 and 3, Dan Phillips Estate Mining Permit No. 150, containing 418.07 acres, Apache County, Arizona.
2. Parcels 1, 2, 3, 4 and 5, David Phillips Mining Permit No. 21, containing 700.39 acres, Apache County, Arizona.
3. Parcels 2, 3, 4 and 5, Henry Phillips Mining Permit No. 93, containing 529.15 acres, Apache County, Arizona.

KERMAC

February 28, 1956

4. Parcels 1 and 2, Koley Black Mining Permit No. 239, containing 302.11 acres, Apache County, Arizona.

We have submitted data with respect to each separate request for certification and, for your information, you will find attached a map of the properties controlled by this company in the Lukachukais.

As a reiteration of the general points covered in our meeting, we would again like to mention the following:

1. The ore bodies of the Lukachukais can not be considered as contiguous even though some do follow a definite trend. In all cases, each requires separate mine workings and each must be developed by a costly close-spaced drill program.
2. There has been very little new ore developed in the Shiprock Area and the Lukachukais have the best known prospects for furnishing ore to the Shiprock Mill. We feel that the Commission had this in mind when they led the way by their advance exploration work in this area. We do feel that as a private company we can continue in the work previously done by the Commission, but due to the high cost of exploration and development work, we do need the continued assistance of the Commission. Please be assured that we have spent far more and will continue to do so, than could be forthcoming from production bonus.
3. The Commission has indicated its desire to combine parcels of leases in its letters of October 12 and 13th. We feel that the Commission's actions along this line is quite understandable, however, in view of our dealings and royalty arrangements with the Navajo Indians, it would be far better to combine parcels of the same permits rather than parcels in which the ownership was different. By handling this as the Commission has suggested, it is possible that certain Indians will receive a percentage of several bonus payments and others will receive none. Also, the amount of acreage requested to be certified by some of the attached applications is greater than that as recommended by the Commission.

We greatly appreciate all of the assistance the Commission has rendered in the past on the development of this area, and it is believed that favorable consideration of the attached applications will be of tremendous aid in future development.

Yours very truly,

KERR-MCGEE OIL INDUSTRIES, INC.
Navajo Uranium Division



M. F. Bolton
Manager, Mining and Exploration

MFB:eg
Enc. (4)

KERR-MCGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608, SHIPROCK, NEW MEXICO

February 28, 1956

U. S. Atomic Energy Commission
Grand Junction Operations Office
Mining Division
Grand Junction, Colorado

Attn: Mr. R. H. Toole

Gentlemen:

The enclosed application for certification is hereby submitted on property described as Parcels 1, 2 and 3, Dan Phillips Estate Mining Permit No. 150, containing 418.07 acres, located in Apache County, Arizona.

In connection with this application, the following data is submitted:

- (a) First production from this property was in July, 1954, and initial application for certification of part of this property was submitted February 10, 1955.
- (b) Two small ore bodies have been located on the property from which the initial 10,000 lbs. of U_3O_8 has been mined. The two are not contiguous with each other; they have separate workings, nor are they contiguous with an ore body on any other claim.
- (c) This company has completed 15,560' of drill hole and built 13,700' of road on the property. It is estimated that an additional 29,280' of drill hole and 11,000' of road will be needed to explore remaining possibilities of this property.

Yours very truly,

KERR-MCGEE OIL INDUSTRIES, INC.
Navajo Uranium Division



M. F. Bolton
Manager, Mining and Exploration

MFB:eg
Enc. (1)

5. Ore accepted by commission ore-buying stations or qualified uranium mills (or any other uranium ore processing plants) from property between April 9, 1948 and February 28, 1951 inclusive: **None**

Total number of pounds U_3O_8	None
---------------------------------	------

February 28, 1956
(Date)

By: M. J. Datta
(Signature of applicant)

Manager, Mining and Exploration

(When completed mail to U. S. Atomic Energy Commission, Colorado Raw Materials Office, P. O. Box 270, Grand Junction, Colo.)

SPACE BELOW FOR USE BY APPLICANT, IF NECESSARY

May 1, 1954

DAN PHILLIPS ESTATE
Mining Permit No. ~~112~~ 150
Parcel No. 1

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 101,912.12 E 202,070.74 being common with corners No. 1, parcels 1, 2, and 3 David Phillips mining permit No. 21; thence due East 3161.87' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 101,912.12 E 205,232.61 and is common with corner No. 2, parcel No. 5 David Phillips mining permit No. 21; thence N 23° 23' 00" W 2003.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 103,750.02 E 204,438.06 and is common with corner No. 9, parcel No. 1 Koley Black lease No. 8667, mesa No. 1; thence N 61° 45' 00" W 223.0' to corner No. 4, a 2" iron pipe driven in the ground whose coordinates are N 103,856.04 E 204,240.74 and common with corner No. 8, parcel No. 1 Dan Phillips lease No. 8666, Mesa 2-2½; thence due West 2170.0' to corner No. 5, a 2" iron pipe driven in the ground whose coordinates are N 103,856.04 E 202,070.74; thence due South 1943.92' to corner No. 1 and point of beginning containing 120.00 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S. A.E.C. data as established by U.S. Geologic Survey.

May 1, 1954

DAN PHILLIPS ESTATE
Mining Permit No. ~~21~~ 150
Parcel No. 2

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 103,211.19 E 209,352.68 and is common with corner No. 2, parcel No. 3 Billy Topaha mining permit No. 22; whence Luka, a U.S.G.S. triangulation station bears S 51° 23' 00" E 4860.0'; thence N 53° 47' 00" W 2263.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 104,548.34 E 207,527.20 and is common with corner No. 10, parcel No. 1 Koley Black lease No. 8667, Mesa No. 1; thence S 75° 30' 00" W 3190.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 103,750.02 E 204,438.06 being common with corner No. 9, parcel No. 1 Koley Black lease No. 8667; thence S 23° 23' 00" E 2003.0' to corner No. 4, a 2" iron pipe driven in the ground whose coordinates are N 101,912.12 E 205,232.61 being common with corner No. 3, parcel No. 1 Billy Topaha mining permit No. 22; thence N 72° 30' 00" E 4320.0' to corner No. 1 and point of beginning, containing 157.30 acres located in Apache County, Arizona; all bearings, distances, and coordinates are based on U.S. A.E.C. data as established by U.S. Geologic Survey.

May 1, 1954

DAN PHILLIPS ESTATE
Mining Permit No. ~~110~~ 150
Parcel No. 3

Beginning at corner No. 1, a 2" iron pipe driven in the ground whose coordinates are N 107,221.95 E 208,773.93 and is also common with corners No. 1, parcels 1-2 Kinlichini Betah mining permit No. 36; thence S 25° 00' 00" W 2950.0' to corner No. 2, a 2" iron pipe driven in the ground whose coordinates are N 104,548.34 E 207,527.20 and is common with corner No. 2, parcel No. 2 Dan Phillips mining permit No. 140; thence S 53° 47' 00" E 2263.0' to corner No. 3, a 2" iron pipe driven in the ground whose coordinates are N 103,211.19 E 209,352.68 and is common with corner No. 2, parcel No. 3 Billy Topaha mining permit No. 22; whence Luka, a U.S.G.S. triangulation station bears S 51° 23' 00" E 4860.0'; thence N 20° 00' 00" E 2930.0' to corner No. 4, a 2" iron pipe driven in the ground whose coordinates are N 105,964.48 E 210,354.80; thence S 51° 30' 00" E 2020.0' to corner No. 1 and point of beginning containing 140.70 acres located in Apache County, Arizona. All bearings, distances, and coordinates are based on U.S. A.E.C. data as established by U.S. Geologic Survey.

VERIFICATION OF PRODUCTION RECORD
APPLICATION FOR CERTIFICATION

Application No. 1339

Name of Mining Property: Parcels 1, 2, & 3, Dan Phillips Estate
Mining Permit #150

Name of Applicant: Kerr-McGee Oil Industries, Inc

1. There (~~is~~) (is not) a record of production for the period April 9, 1948 through February 28, 1951.

Shipper	Name of Mine	District	County	State	Purch. Depot	Date	Ore Dry Tons	U308 Pounds

Shipments to Shattuck Chemical Co., Denver, Colorado

Name of Shipper	Date	Pounds U308

Total Pounds U308 _____

2. There (~~has~~) (has not) been production from this property for the period March 1, 1951 through the month of January, 1956. If production has been made, it was reported other than from property name.

Delbert B. Hutto
Delbert B. Hutto, Auditor

Production checked by DBH.

Date forwarded to Mining Division 3/6/56.

MD:DRH

March 7, 1956

Kerr-McGee Oil Industries, Inc.
Navajo Uranium Division
P. O. Box 608
Shiprock, New Mexico

Re: APPLICATIONS FOR CERTIFICATION OF NOS. 1337, 1338, 1339 & 1340

Gentlemen:

Reference is made to your letter dated February 28, 1956, which stated that you would like to withdraw Application Nos. 948, 997 and 1035 and in lieu thereof are submitting four new applications.

Application Nos. 948, 997 and 1035 are not considered to be pending applications since action has been taken by the Commission in accordance with our letters of October 12, 1955, and October 13, 1955, notifying you of the issuance of Certification No. D.U.P. C6-C-606 and amendment to Certification No. D.U.P. C6-C-424. The new applications will be treated as requests to reconsider the above mentioned actions. They have been assigned the following numbers:

- No. 1337 - Parcels 1, 2, 3, 4 & 5, David Phillips
Tribal Mining Permit No. 21
- No. 1338 - Parcels 1 and 2, Koley Black
Tribal Mining Permit No. 239
- No. 1339 - Parcels 1, 2 and 3, Dan Phillips, Estate
Tribal Mining Permit No. 150
- No. 1340 - Parcels 2, 3, 4 and 5, Henry Phillips
Tribal Mining Permit No. 93

As soon as our work load permits, one of our examining engineers will contact you to arrange for a meeting on the ground to discuss this matter.

Very truly yours,

R. H. Toole, Chief
Leasing and Development Branch
Mining Division

MD

MD

Hill:vr

Toole

3/7/56